

MINUTES OF THE MEETING
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY

April 26, 2006

MEMBERS PRESENT: Ryan Kitchell; Lance Rhodes; William Lister; Kenneth Metzger; and Kelly Borrer.

ALSO PRESENT: John Kirkwood, Krieg DeVault; Brian Lane, Greenwood Village South; Sam Bick, Grandview Care Inc.; Brenda Horn, Kristin McClellan, Susan Price, Ice Miller; John Meade, Kendra York, Hall Render; Kelly McNairy, City Securities Corporation; Neal Steinbart, Barnes and Thornburg; Ann Forey, Scott Fessler US Bank; Curt Fritsch, CRF Group; Rachelle Lore; Jennifer Alvey; and Dan Kramer.

Mr. Kitchell welcomed those in attendance, recognized the presence of a quorum and called the meeting to order at 11:00 a.m. on April 26, 2006, in Suite 900, One North Capitol Avenue, Indianapolis, Indiana, pursuant to notice thereof.

Mr. Kitchell asked for approval of the Minutes of the March 22, 2006, meeting of the Indiana Health and Educational Facility Financing Authority. Thereupon, upon motion made by Mr. Metzger and seconded by Ms. Borrer, it was unanimously:

RESOLVED, the Minutes of the March 22, 2006, meeting of the Indiana Health and Educational Facility Financing Authority are hereby approved and the Executive Director is instructed to execute same and to place same in the Minute Book as the Minutes of the March 22, 2006, Meeting of the Indiana Health and Educational Facility Financing Authority.

Mr. Kitchell then checked with the board in regards to the acceptability of the scheduled May 24, 2006, meeting, and all present were agreeable to that date with the exception of Mr. Lister who may have a conflict.

Mr. Kitchell then asked for the Executive Director's Report.

EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's Report is attached hereto as Exhibit A.

The Executive Director began by telling members that the Marion College transaction for \$6,000,000 closed on March 30, 2006.

The Executive Director continued with the next item on the agenda, the Final Resolution for Jackson County Schneck Memorial Hospital in an amount not to exceed

\$35,000,000. The Executive Director introduced Neal Steinbart from Barnes and Thornburg, bond counsel, and Mr. John Kirkwood of Krieg DeVault, underwriter's counsel .

Mr. Steinbart began by explaining that Jackson County Schneck Memorial Hospital is the sole city (Seymour) and county hospital and they have outgrown their existing facilities primarily in the outpatient areas. Mr. Steinbart continued by telling members that they were here to obtain final approval for this financing of \$35,000,000. This money would be used for new construction as well as renovation of existing facilities. The new construction would be an addition to the existing facility, including the demolition of an old portion of the hospital and the construction of a new larger south wing of the hospital that is to hold a new emergency department, diagnostic imaging department, and a new patient entrance. The new construction also includes the expansion and reconfiguration of parking areas. Renovations in existing in-patient areas would allow for all private rooms and renovation in outpatient areas to allow for expanded services. The project is necessary or helpful for providing health services in Indiana because of increases in patient volume over the last ten years causing the hospital facilities to be overcrowded. This Bond would come in two series, with one being a fixed rate financing and the second being a variable rate. The Line of Credit bank will be Fifth Third Bank. Mr. Steinbart then asked if there were any questions. There were no questions from the board.

Thereupon, upon motion made by Mr. Metzger and seconded by Ms. Borrer, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Hospital Revenue Bonds (Jackson County Schneck Memorial Hospital Project), in the principal amount not to exceed \$35,000,000 and Approving and Authorizing other actions with respect thereto be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit B.

The Executive Director continued with the next item on the agenda, the Final Resolution for The Community Village Inc. - Hartsfield Village Project in an amount not to exceed \$26,000,000. The Executive Director introduced Neal Steinbart from Barnes and Thornburg, bond counsel for Hartsfield Village.

Mr. Steinbart began by informing members that this issue is solely to refund existing bonds, and the amount has increased from \$25,000,000 to \$26,000,000 primarily to offset changes in interest rates, costs of issuance, and borrower funds contributed. Mr. Steinbart continued by informing Members that the proposed bonds are to be issued to refund the outstanding Series 1997 Bonds to take advantage of a lower interest rates and extend the final maturity of the bonds to 2036 instead of 2027. Refunding the bonds will also allow for the borrower to replace existing bond documents with new documents that do not have the restrictive covenants that were put in place as a startup community. Mr. Steinbart then asked if there were any questions, there were none.

Thereupon, upon motion made by Mr. Metzger and seconded by Mr. Rhodes, it was unanimously:

RESOLVED, the Final Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Revenue Bonds, Series 2006 (Community Village - Hartsfield Village Project) in the principal amount not to exceed \$26,000,000 and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit C.

The Executive Director continued with the next item on the agenda, the Preliminary Resolution regarding the Greenwood Village South Project in an amount to exceed \$23,500,000. The Executive Director then introduced Brenda Horn of Ice Miller, bond counsel, and Brian Lane, Executive Director of Greenwood Village South.

Ms. Horn began by informing members that there is a small refunding portion in this transaction, they will be refunding the 2000 bonds in an amount around \$2,000,000, while the rest of the money will be used for new construction. Ms. Horn then introduced Mr. Lane to discuss the transaction in more detail.

Mr. Lane began by informing members that Greenwood Village South is a continuing care retirement community with approximately 600 residents in facilities ranging from independent living cottages and apartments, assisted living to skilled nursing. Mr. Lane mentioned that Fitch had downgraded their status due to deficiencies in their balance sheet including increased debt outstanding. The decrease in cash is due to an HVAC project completed in 2005 that was funded entirely through existing capital. This requested borrowing will reimburse expenses incurred with that project and he is confident that Fitch will be upgrading their rating when next reviewed. Mr. Lane noted that they will be building 26 new apartments, 17 of which have already been sold. He then asked if there were any questions.

Mr. Lister asked about Fitch's mention of a decrease in occupancy and an increasing reliance on Medicaid. Mr. Lane responded that occupancy rates are going strong, and they have been working with the neighboring hospitals and a new marketing employee to raise awareness in the community that this is not a closed community and individuals are able to enter into the continuous care facility directly. This has caused the occupancy rates to rise. The Medicaid exposure they do have is directly from existing residents who have evolved to skilled nursing and have exhausted their initial entrance fees. They take great care to ascertain that new residents from outside the community are able to pay without relying on Medicaid.

The Executive Director reminded members that this borrowing will be backed by a letter of credit causing the rating to go up to an A-. Mr. Kitchell asked if Banco Santander had Spain as its country of origin, to which Ms. Horn responded yes. She pointed out that the Banco Santander would provide a backup LOC, while Sovereign Bank would be providing the primary LOC.

There were no other questions.

Thereupon, upon motion made by Ms. Borrer and seconded by Mr. Metzger, it was unanimously:

RESOLVED, the Preliminary Resolution Authorizing the Issuance of the Indiana Health and Educational Facility Financing Authority Variable Rate Demand Revenue Bonds, Series 2006 (Greenwood Village South Project) in the principal amount not to exceed \$23,500,000 and Approving and Authorizing other actions with respect thereto to be and hereby is approved.

A copy of the resolution is attached hereto as Exhibit D.

Mr. Kitchell then moved onto the last item on the agenda, the resolution regarding the Indiana Health and Educational Facility Financing Authority PERF participation and the annual election by the Authority to pick up all of the mandatory contributions required for participating employees. Mr. Kitchell pointed out that virtually all state agencies make this 3% contribution on behalf of their employees.

Thereupon, upon motion made by Mr. Lister and seconded by Mr. Metzger, it was unanimously:

RESOLVED, the Resolution Electing to Pay Mandatory Employee Contributions to the Public Employee's Retirement Fund for the Indiana Health and Educational Facility Financing Authority.

A copy of the resolution is attached hereto as Exhibit E.

The Executive Director concluded his report.

There being no further business, the meeting was adjourned.

Respectfully submitted,



Executive Director

INDIANA HEALTH AND EDUCATIONAL FACILITY
FINANCING AUTHORITY

ONE NORTH CAPITOL, SUITE 900
INDIANAPOLIS, INDIANA 46204
(317) 233-9799 FAX: (317) 232-6786

REPORT BY

DANIEL KRAMER, EXECUTIVE DIRECTOR

April 26, 2006

Activities for the period March 23, 2005, through April 26, 2006, are as follows:

I. Discussions have been held with possible clients as follows:

United Church Homes

II. Special Projects in Various Stages of Development:

1. Marian College - CLOSED	\$6,000,000
2. Jackson County Schneck Memorial Hospital	\$35,000,000
3. Sisters of St. Francis Health Services, Inc.	\$700,000,000
4. Community Village, Inc. - Hartsfield Village Project	\$25,000,000
5. Greenwood Village South Project	\$22,000,000
6. Grandview Care, Inc.	\$4,500,000

III. 1985 A Variable Rate Pool Activity

A. New Applications: None

B. Pending Applications: None

C. Approvals:

1. L.O.C. Required: Imaging Center of North Central, IN, Inc. 3,500,000



IV. Comments

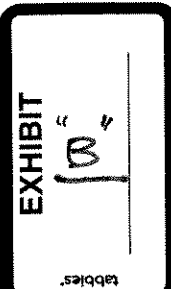
1. The Marian College transaction (\$6,000,000) closed on March 30.
2. Included in Authority Members' folders is a final resolution for Jackson County Schneck Memorial Hospital, Inc, in an amount not to exceed \$35,000,000. Neil Steinbart, Barnes & Thornburg, bond counsel, and Tom Fischer, their financial advisor, are here to discuss the resolution.
3. Included in Authority Members' folders is a final resolution for Community Village, Inc. - Hartsfield Village Project, in an amount not to exceed \$25,000,000. Neil Steinbart, Barnes & Thornburg, bond counsel, and Richard McClaughry, President, Community Village, Inc, are here to discuss the resolution.
4. Included in Authority Members' folders is an application and preliminary resolution for Greenwood Village South Project in an amount not to exceed \$23,500,000. Brenda Horn, Ice Miller, bond counsel, and Brian Lane, Executive Director, Greenwood Village South, are here to discuss the resolution.
5. Included in Authority Members' folders is a Resolution Electing to Pay Mandatory Employee Contributions to the Public Employee's Retirement Fund (PERF)
6. Included in Authority Members' folders is the April, 2006, *Cash and Investments* Report.

Final Resolution Authorizing Issuance of
Indiana Health and Educational Facility Financing Authority
Hospital Revenue Bonds, Series 2006A, and
Adjustable Rate Hospital Revenue Bonds, Series 2006B
(Jackson County Schneck Memorial Hospital Project)
in aggregate principal amount not to exceed Thirty-Five Million Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the "Authority") that:

Section 1. The Board of Trustees of Jackson County Schneck Memorial Hospital, a body corporate and politic organized and existing under the laws of the State of Indiana (the "Borrower"), a participating provider (within the meaning of Indiana Code 5-1-16 (the "Act")), has applied for the issuance and sale of Indiana Health and Educational Facility Financing Authority Hospital Revenue Bonds, Series 2006A (Jackson County Schneck Memorial Hospital Project) (the "Series 2006A Bonds"), and Indiana Health and Educational Facility Financing Authority Adjustable Rate Hospital Revenue Bonds, Series 2006B (Jackson County Schneck Memorial Hospital Project) (the "Series 2006B Bonds") (the Series 2006A Bonds and the Series 2006B Bonds, the "Bonds"), in an aggregate principal amount not to exceed \$35,000,000, for the purpose of providing funds to make a loan to the Borrower for financing, reimbursing or refinancing all or any part of the cost of the acquisition, construction, repair, restoration, reconditioning, remodeling or installation of properties or assets owned or to be owned and used or to be used by the Borrower, which properties or assets are necessary or helpful to provide health care, medical research, training or teaching of health care personnel, habilitation, rehabilitation or therapeutic services, or related supporting services, and located at Jackson County Schneck Memorial Hospital, 411 West Tipton Street, Seymour, Indiana 47274, including without limitation (a) construction of an approximately 84,000 square feet addition to the existing hospital facility, including (i) demolition of a portion of the existing facility and (ii) construction of a south wing to house expanded emergency department and diagnostic imaging facilities (including purchase of a new CT scanner) and a new patient entrance, (b) expansion and reconfiguration of parking facilities, and (c) renovation of approximately 90,600 square feet of existing space, including (i) renovation of inpatient areas to allow for all private rooms and (ii) relocation, consolidation, expansion and reconfiguration of outpatient areas (such properties or assets, the "Project"), funding a debt service reserve fund, paying certain interest and fees, and paying certain costs of issuing the Bonds. Based solely on the application of the Borrower, the Authority hereby determines that the Project is necessary or helpful to provide health care, medical research, training or teaching of health care personnel, habilitation, rehabilitation or therapeutic services, or any related supporting services.

Section 2. The Series 2006A Bonds shall be issued under a Trust Indenture (the "Series 2006A Bond Indenture") between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Series 2006A Bond Trustee"), which Series 2006A Bond Indenture provides that the Series 2006A Bonds shall be secured by a Series 2006A Note (the "Series 2006A Note"), in like principal amount, to be issued by the Borrower under a Master Trust Indenture between the Borrower and The Bank of New York Trust Company, N.A. (successor to Jackson County Bank), as trustee (the "Master Trustee"), dated as of November 1, 1991, as supplemented and amended to date (the "Master Indenture"), as supplemented by Supplemental Master Indenture No. 3 (the "Series 2006A Supplemental Indenture") between the Borrower and the Master Trustee, and certain of the rights of the Authority under a Loan Agreement (the "Series 2006A Loan Agreement") between the Authority and the Borrower, which Series 2006A Loan Agreement shall evidence a loan of the proceeds of the



Series 2006A Bonds from the Authority to the Borrower. The Series 2006B Bonds shall be issued under an Indenture of Trust and Pledge (the "Series 2006B Bond Indenture") between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Series 2006B Bond Trustee"), which Series 2006B Bond Indenture provides that the Series 2006B Bonds shall be secured by a Series 2006B Note (the "Series 2006B Note"), in like principal amount, to be issued by the Borrower under the Master Indenture, as supplemented by Supplemental Master Indenture No. 4 (the "Series 2006B Supplemental Indenture") between the Borrower and the Master Trustee, and certain of the rights of the Authority under a Loan Agreement (the "Series 2006B Loan Agreement") between the Authority and the Borrower, which Series 2006B Loan Agreement shall evidence a loan of the proceeds of the Series 2006B Bonds from the Authority to the Borrower.

Section 3. The forms of the Series 2006A Bond Indenture, the Series 2006B Bond Indenture, the Series 2006A Loan Agreement, the Series 2006B Loan Agreement, the Master Indenture, the Series 2006A Supplemental Indenture, the Series 2006B Supplemental Indenture, a Bond Purchase Contract (the "Series 2006A Purchase Contract") among the Authority, the Borrower and Piper Jaffrey & Co. and City Securities Corporation (the "Underwriters"), a Bond Purchase Contract (the "Series 2006B Purchase Contract") among the Authority, the Borrower and the Underwriters, a Preliminary Official Statement relating to the Series 2006A Bonds (the "Series 2006A Preliminary Official Statement") and an Official Statement relating to the Series 2006B Bonds (the "Series 2006B Official Statement") presented to the Authority are hereby approved and are incorporated herein by reference and shall be kept by the Executive Director of the Authority. The form of an Official Statement relating to the Series 2006A Bonds, in substantially the form of the Series 2006A Preliminary Official Statement (the "Series 2006A Official Statement"), is hereby approved.

Section 4. The aggregate principal amount of the Bonds shall not exceed \$35,000,000. The Series 2006A Bonds shall be dated, shall bear interest at such rates, not to exceed 7% per annum, shall mature at such times, not later than 35 years from their date of issuance, shall be redeemable before maturity at such prices and upon such terms and conditions, shall be in such fully registered form, shall be in such denominations, shall be payable at such places and shall be payable solely out of such revenues, assets and money as are set forth in the Series 2006A Bond Indenture, as such Series 2006A Bond Indenture shall be approved by the Chair or Vice Chair. The Series 2006B Bonds shall be dated, shall bear interest at such rates, not to exceed the maximum interest rate per annum, shall mature at such times, not later than 35 years from their date of issuance, shall be redeemable before maturity at such prices and upon such terms and conditions, shall be in such fully registered form, shall be in such denominations, shall be payable at such places and shall be payable solely out of such revenues, assets and money as are set forth in the Series 2006B Bond Indenture, as such Series 2006B Bond Indenture shall be approved by the Chair or Vice Chair. The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision.

Section 5. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Series 2006A Bonds to the Series 2006A Bond Trustee for authentication, and the Series 2006A Bond Trustee may deliver the Series 2006A Bonds to or at the direction of the Underwriters upon receipt of an aggregate purchase price equal to the

principal amount of the Series 2006A Bonds, less an original issue discount not to exceed 10% and less an underwriters' discount not to exceed 1% of the principal amount of the Series 2006A Bonds; subject to the approval of the Chair or Vice Chair as described in Section 7 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Internal Revenue Code. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Series 2006B Bonds to the Series 2006B Bond Trustee for authentication, and the Series 2006B Bond Trustee may deliver the Series 2006B Bonds to or at the direction of the Underwriters upon receipt of an aggregate purchase price equal to the principal amount of the Series 2006B Bonds, less an underwriters' discount not to exceed 1% of the principal amount of the Series 2006B Bonds; subject to the approval of the Chair or Vice Chair as described in Section 7 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Internal Revenue Code.

Section 6. The Authority hereby authorizes the Underwriters to distribute the Series 2006A Preliminary Official Statement, the Series 2006A Official Statement and the Series 2006B Official Statement, with such changes or additions as shall be approved by the Chair or Vice Chair of the Authority.

Section 7. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to execute, and the Executive Director to attest such signature where appropriate, and deliver the Series 2006A Bond Indenture, the Series 2006B Bond Indenture, the Series 2006A Loan Agreement, the Series 2006B Loan Agreement, the Series 2006A Official Statement and the Series 2006B Official Statement, and an endorsement and assignment of the Series 2006A Note and the Series 2006B Note, in substantially the forms approved by this Resolution, with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents approved by this Resolution. Each of the Chair, Vice Chair or Executive Director of the Authority is hereby authorized and directed to execute and deliver the Series 2006A Purchase Contract and the Series 2006B Purchase Contract, in substantially the forms approved by this Resolution, with such changes in form or substance as shall be approved by the Chair, Vice Chair or the Executive Director of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's, Vice Chair's or Executive Director's approval and the Authority's approval of any changes from or revisions to the form of such documents approved by this Resolution.

Section 8. Each of the Chair, Vice Chair or Executive Director of the Authority is hereby authorized to execute any other document or take any other action which may be necessary or desirable to consummate the transactions described herein, and any such document heretofore executed and any such action heretofore taken is hereby ratified and approved.

Section 9. The provisions of this Resolution and the Series 2006A Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Series 2006A Bonds, and, after the issuance of the Series 2006A Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Series 2006A Bonds or the interest thereon remain unpaid. The provisions of this Resolution and the Series 2006B Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Series 2006B Bonds, and, after the issuance of the Series 2006B Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Series 2006B Bonds or the interest thereon remain unpaid.

Dated this 26th day of April, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Kenneth D. Metzger

Bill L. Smith

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B. Kne

Kelly L. Brown

Attest:

Daniel R. Kramer
Daniel R. Kramer, Executive Director

Final Resolution Authorizing Issuance of
Indiana Health and Educational Facility Financing Authority
Variable Rate Demand Refunding Revenue Bonds
(Community Village, Inc. – Hartsfield Village Project)
in aggregate principal amount not to exceed Twenty-six Million Dollars and
Approving and Authorizing Other Actions in Respect Thereto

Be it resolved by the members of the Indiana Health and Educational Facility Financing Authority (the “Authority”) that:

Section 1. Community Village, Inc., an Indiana nonprofit corporation (the “Borrower”), a participating provider within the meaning of Indiana Code 5-1-16 (the “Act”), has applied for the issuance and sale of the Indiana Health and Educational Facility Financing Authority Variable Rate Demand Refunding Revenue Bonds (Community Village, Inc. – Hartsfield Village Project) (the “Bonds”), in an aggregate principal amount not to exceed \$26,000,000, for the purpose of providing funds to make a loan to the Borrower for the purpose of (1) refunding all or any portion of the outstanding (i) Indiana Health Facility Financing Authority Revenue Bonds (The Community Village, Inc. – Hartsfield Village Project), Series 1997A (the “Series 1997A Bonds”), and (ii) Indiana Health Facility Financing Authority Variable Rate Demand Revenue Bonds (The Community Village, Inc. – Hartsfield Village Project), Series 1997B (the “Series 1997B Bonds”) (the Series 1997A Bonds and Series 1997B Bonds, the “Refunded Bonds”), which Refunded Bonds were issued to finance, reimburse or refinance a part of the cost of acquiring, constructing, repairing, restoring, reconditioning, remodeling or installing a residential facility for the elderly owned and operated by the Borrower and located at or adjacent to the Borrower’s facilities at 10000 Columbia Avenue, Munster, Indiana 46312, (2) funding a debt service reserve fund, (3) paying certain interest and fees, and (4) paying certain costs of issuing the Bonds ((1) through (4), the “Project”). Based solely on the application of the Borrower, the Authority hereby determines that the Project is a residential facility for the elderly and, therefore, constitutes health facility property within the meaning of the Act.

Section 2. The Bonds shall be issued under a Bond Trust Indenture (the “Bond Indenture”) between the Authority and Bank Calumet National Association, as trustee (the “Bond Trustee”), which Bond Indenture provides that the Bonds shall be secured by a Series 2006A Note (the “Note”), in like principal amount, to be issued by the Borrower under a Master Trust Indenture (the “Master Indenture”) between the Borrower and Bank Calumet National Association, as trustee (the “Master Trustee”), as supplemented by Supplemental Indenture No. 1 (the “Supplemental Indenture”) between the Borrower and the Master Trustee, and certain of the rights of the Authority under a Loan Agreement (the “Loan Agreement”) between the Authority and the Borrower, which Loan Agreement shall evidence a loan of the proceeds of the Bonds from the Authority to the Borrower.

Section 3. The forms of the Bond Indenture, the Loan Agreement, the Master Indenture, the Supplemental Indenture, a Bond Purchase Contract (the “Purchase Contract”) among the Authority, the Borrower and Ziegler Securities, a Division of B.C. Ziegler and Company (the “Underwriter”), and an Official Statement relating to the Bonds (the “Official Statement”) presented to the Authority are hereby approved and are incorporated herein by reference and shall be kept by the Executive Director of the Authority.

EXHIBIT

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Section 4. The aggregate principal amount of the Bonds shall not exceed \$26,000,000. The Bonds shall be dated, shall bear interest at such rates, not to exceed the Maximum Rate (as defined in the Bond Indenture) per annum, shall mature at such times, not later than 35 years from their date of issuance, shall be redeemable before maturity at such prices and upon such terms and conditions, shall be in such fully registered form, shall be in such denominations, shall be payable at such places and shall be payable solely out of such revenues, assets and money as are set forth in the Bond Indenture, as such Bond Indenture shall be approved by the Chair or Vice Chair. The Bonds shall not constitute a debt of the State of Indiana or any political subdivision thereof, within the meaning of the provisions of the constitution or statutes of Indiana, or a pledge of the faith and credit of the Authority or the State of Indiana or any such political subdivision.

Section 5. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to execute the Bonds and the Executive Director of the Authority is hereby authorized and directed to affix the seal of the Authority, which shall be attested by the manual or facsimile signature of the Executive Director. The signatures of the Chair or Vice Chair and the Executive Director on the Bonds may be facsimile signatures. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to deliver the Bonds to the Bond Trustee for authentication, and the Bond Trustee may deliver the Bonds to or at the direction of the Underwriter upon receipt of an aggregate purchase price equal to the principal amount of the Bonds, less an underwriter's discount not to exceed 2% of the principal amount of the Bonds; subject to the approval of the Chair or Vice Chair as described in Section 7 hereof and the approval of the Lieutenant Governor of Indiana in accordance with Section 147(f) of the Internal Revenue Code.

Section 6. The Authority hereby authorizes the Underwriter to distribute the Official Statement, with such changes or additions as shall be approved by the Chair or Vice Chair of the Authority.

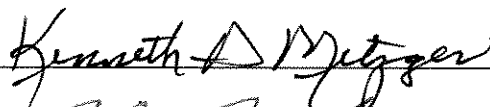


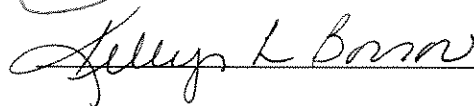
Section 7. Each of the Chair or Vice Chair of the Authority is hereby authorized and directed to execute, and the Executive Director to attest such signature where appropriate, and deliver the Bond Indenture, the Loan Agreement and the Official Statement and an endorsement and assignment of the Note, in substantially the forms approved by this Resolution, with such changes in form or substance as shall be approved by the Chair or Vice Chair of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's or Vice Chair's approval and the Authority's approval of any changes from or revisions to the form of such documents approved by this Resolution. Each of the Chair, Vice Chair or Executive Director of the Authority is hereby authorized and directed to execute and deliver the Purchase Contract, in substantially the form approved by this Resolution, with such changes in form or substance as shall be approved by the Chair, Vice Chair or the Executive Director of the Authority executing said documents, with such execution to constitute conclusive evidence of the Chair's, Vice Chair's or Executive Director's approval and the Authority's approval of any changes from or revisions to the form of such documents approved by this Resolution.

Section 8. Each of the Chair, Vice Chair or Executive Director of the Authority is hereby authorized to execute any other document or take any other action which may be necessary or desirable to consummate the transactions described herein, and any such document heretofore executed and any such action heretofore taken is hereby ratified and approved.

Section 9. The provisions of this Resolution and the Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Bonds, and, after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remains unpaid. The provisions of this Resolution and the Bond Indenture shall constitute a contract binding between the Authority and the purchasers of the Bonds, and, after the issuance of the Bonds, this Resolution shall not be repealed or amended in any respect which would adversely affect the rights of such purchasers so long as any of the Bonds or the interest thereon remains unpaid.

Dated this 26th day of April, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:


Daniel R. Kramer, Executive Director

PRELIMINARY RESOLUTION AUTHORIZING THE ISSUANCE OF THE
INDIANA HEALTH AND EDUCATIONAL FACILITY FINANCING AUTHORITY
VARIABLE RATE DEMAND REVENUE BONDS, SERIES 2006
(GREENWOOD VILLAGE SOUTH PROJECT)
IN THE PRINCIPAL AMOUNT NOT TO EXCEED
TWENTY-THREE MILLION FIVE HUNDRED THOUSAND DOLLARS,
AND APPROVING AND AUTHORIZING OTHER ACTIONS IN RESPECT THERETO

WHEREAS, the Indiana General Assembly enacted Indiana Code 5-1-16, as amended (the "Act"), which governs the Indiana Health and Educational Facility Financing Authority (the "Authority") which is empowered to issue bonds for the purpose of making loans to participating providers (as defined in the Act) for the financing, reimbursing or refinancing of all or any part of the cost of health facility property (as defined in the Act); and

WHEREAS, Westminster Village Greenwood, Inc. (d/b/a Greenwood Village South) (the "Borrower"), a participating provider within the meaning of the Act, has requested that the Authority issue one or more series of its Variable Rate Demand Revenue Bonds, Series 2006 (Greenwood Village South Project) in an amount not to exceed \$23,500,000 (the "Bonds") and loan the proceeds of such bonds to the Borrower for the purpose of (i) financing, refinancing or reimbursing a portion of the costs of constructing, acquiring, renovating or equipping certain healthcare facilities constituting "health facility property" (the "Project") within the meaning of the Act, (ii) refinancing certain outstanding debt; (iii) funding a reserve fund, if any, (iv) funding interest on a portion of the Bonds during construction, and (iv) paying certain costs of issuing the Bonds, including underwriter's discount and credit enhancement; and

WHEREAS, the Authority desires to issue Bonds to loan the proceeds to the Borrower for purposes of financing the Project; and

WHEREAS, the Authority desires to authorize its Chair, Vice Chair or Executive Director to take certain actions in preparation for marketing of the Bonds;

Be it resolved by the members of the Authority that:

Section 1. Based on the application of the Borrower, the Authority hereby finds that the Project is a residential facility for the elderly, and thus constitutes "health facility property" within the meaning of the Act.

Section 2. Bonds in an aggregate principal amount not to exceed \$23,500,000 are hereby authorized to be issued under and pursuant to the Act and the proceeds thereof loaned to the Borrower for the purposes of financing the Project, as well as the other purposes described above, provided, that the appropriate actions are taken pursuant to the Act, the Internal Revenue Code of 1986, as amended, and applicable securities laws as may be required to implement the aforesaid financing and that all of the foregoing shall be mutually acceptable to the Authority and the Borrower.

Section 3. At the direction of the Borrower, Ziegler Capital Markets Group is hereby appointed as the underwriter with respect to the Bonds (the "Underwriter"). The Underwriter is

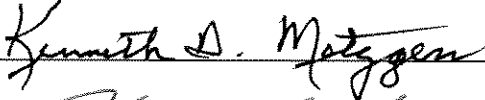
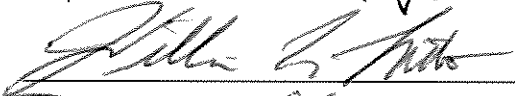

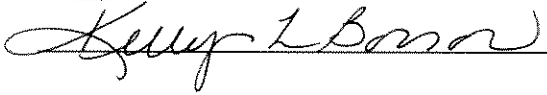


hereby authorized at the appropriate time to distribute one or more Preliminary Official Statements to potential purchasers of the Bonds.

Section 4. The Chair, Vice Chair and the Executive Director are hereby authorized to take such actions which may be necessary and advisable to prepare for the issuance of the Bonds, subject to the final approval of the terms and conditions thereof by the Authority.

Dated this 26th day of April, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:


Daniel Kramer, Executive Director

**RESOLUTION OF THE INDIANA HEALTH AND
EDUCATIONAL FACILITY FINANCING AUTHORITY
(MARION COUNTY, INDIANA)**

The Members of the Indiana Health and Educational Facility Financing Authority (the "Authority"), Marion County, Indiana met at a duly called and authorized meeting of the Authority on the date set forth below, such meeting being duly called pursuant to a notice stating the time, place and purpose of the meeting received by all Authority members, and the following resolutions were made, seconded, and adopted by those present at the meeting.

WHEREAS, the Authority participates in the Indiana Public Employees' Retirement Fund (hereinafter "PERF") for the employees who are eligible to participate in PERF;

WHEREAS, it is in the Authority's desire to pick-up all of the mandatory contributions required for participating employees who are members of PERF;

WHEREAS, IC 5-10.3-7-9 authorizes employers to pay all of the mandatory employee contributions for employees participating in PERF;

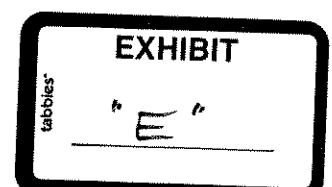
NOW, THEREFORE, BE IT RESOLVED, that effective as of July 1, 2006, the Authority desires to pick-up all of the mandatory contributions by the employees who are members of PERF. No contributions prior to the Authority's action shall be picked-up;

BE IT FURTHER RESOLVED, that said contributions even though designated as employee contributions for state law purposes, are being paid by the Authority in lieu of said contributions by the employee;

BE IT FURTHER RESOLVED, that said contributions will not be included in the gross income of the employees for tax reporting purposes, that is, for federal or state income tax withholding taxes, until distributed from PERF;

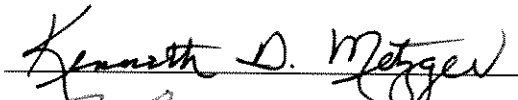


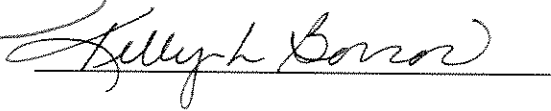
BE IT FURTHER RESOLVED, that said contributions will be included in the gross income of the employees, for employment tax purposes, as the contributions are made to PERF; and

BE IT FURTHER RESOLVED, that said employees shall not be entitled to any option of choosing to receive the contributed amounts directly instead of having them paid by the Authority to PERF.




Dated this 26th day of April, 2006.

INDIANA HEALTH AND EDUCATIONAL
FACILITY FINANCING AUTHORITY

Attest:


Daniel Kramer, Executive Director